

**COMPARISON OF BUDGET APPROPRIATIONS, STATE AID, AND LOCAL
TAX RATE WITH RECOMMENDED REDUCTIONS IN THE
BOROUGH OF JAMESBURG COST OF GOVERNMENT**

I. UNDER CONSOLIDATION OR REGIONALIZATION

Sale or Re-Use of Municipal Assets	\$2,792,900
Vacant Land	\$119,700
Municipally Used Land	\$753,700
Equipment and Buildings	\$1,647,100
Vehicles	\$245,400
Utility Savings	\$27,000

Note: Property values are based on current assessments. Equipment, building and vehicle values are based on current insured values. Utility savings are based on 1994 expenses.

II. UNDER EXISTING CONDITIONS

A. Senior Programs \$45,125

Operating Costs	\$5,125
ADA Renovations	\$40,000

B. Library \$500

Increase Fines	\$500
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C. Financial \$38,152

Investment Income	\$38,152
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D. Personnel \$12,971

Elimination of Longevity	\$1,400
Stand-by/Call-in Pay Elimination	\$5,391
Non-employee Coverage	\$6,180

E. Construction Code

\$20,294

Fee Increase - UCC & Fire Prevention	\$20,294
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F. Tax Assessment \$8,400

Housing Authority Pilot Payment	\$8,400
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G. Sale or Re-Use of Municipal Assets

\$119,700

Vacant Land	\$119,700
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TOTAL OPERATING BUDGET SAVINGS \$245,169

Total Amount to be Raised for Municipal Tax (FY94)	\$1,428,582.55	
Savings as a % of Municipal Tax	17.16%	
 Total Budget (FY94)	 \$2,410,092.49	
Savings as a % of Budget	10.17%	
 Total State Aid (FY94)	 \$547,931.00	
Savings as a % of State Aid	44.74%	

**LOCAL GOVERNMENT BUDGET REVIEW
EXECUTIVE SUMMARY
BOROUGH OF JAMESBURG**

CONSOLIDATION OR REGIONALIZATION

The review team recognizes the need for improved accountability and fiscal controls on the part of Jamesburg Borough but at the same time recognizes that the costs of such measures are prohibitively high given the tax base of the borough. The team, therefore, strongly recommends that Jamesburg seek to consolidate with a contiguous municipality or regionalize the delivery of as many services as possible. The assets Jamesburg would bring to another municipality through this approach is as much as \$2,765,900 from sale or reuse of municipal assets and a decrease of \$27,000 annually in utility operating costs.

EXISTING CONDITIONS

The following series of recommendations assumes the continuation of the existing administrative structure.

A. Senior Programs

The borough should close the sparsely used senior center and consolidate the delivery of services to senior citizens in the Monroe, Jamesburg, Helmetta area. The savings to be realized from this recommendation is \$5,125 in operating expenditures and \$40,000 in avoided expenditures for compliance with the ADA.

B. Library

The Jamesburg Public Library should increase fines and fine maximums to be consistent with other public libraries in New Jersey. The revenue enhancement to be realized from this measure is \$500.

C. Financial

The borough should consolidate as many of its checking and savings accounts as possible and adopt a more aggressive investment strategy. The result would be enhanced earnings of \$38,152.

D. Personnel

The borough's policy of paying longevity to police officers should be eliminated. This change will result in a cost savings of \$1,400.

The practice of compensating employees for being on stand-by over the weekend should be eliminated. The cost savings will be \$5,391 based on 1994 salaries.

The borough is urged to eliminate the practice of paying for health benefits to governing body members. The provision of benefits should be preserved for those part-time and full-time employees whose main employer is the Borough of Jamesburg. The elimination of this practice will save the Borough \$6,180 in 1995.

E. Construction Code & Fire Prevention

The borough should review the fee ordinance to assure that fees are appropriate and adequate and at minimum cover code enforcement and fire prevention incentives. An adjustment of fees will result in a revenue enhancement of at least \$20,294.

F. Tax Assessment

The borough should review payments in lieu of taxes with the Housing Authority to ensure that the required annual amount is received by the borough.

G. Sale or Re-use of Municipal Assets

It is recommended that the borough dispose of the approximately 14 parcels of land not required for municipal purposes, to produce approximately \$119,000 in one-time revenues.

THE REVIEW PROCESS

In order for a town, county or school district to participate in the Local Government Budget Review Program, a majority of the elected officials must request the help of the state's review team through a resolution. There is a practical reason for this: to participate, the governing body must agree to make all personnel and records available to the review team, and agree to an open public presentation and discussion of the review team's findings and recommendations.

As part of the review of the Borough of Jamesburg, team members interviewed elected officials, municipal employees and appointees. The review team examined current collective bargaining agreements, municipal audit reports, public offering statements, annual financial statements, the municipal code and independent reports and recommendations previously developed for the community. The review team physically visited and observed the work procedures and operations throughout the municipal government to observe employees in the performance of their duties.

In general, the review team received the full cooperation and assistance of all employees and elected officials. That cooperation and assistance was testament to the willingness on the part of most to embrace recommendations for change. Those officials and employees who remain skeptical of the need for change and improvement will present a significant challenge for those committed to embracing the recommendations outlined in this report.

BEST PRACTICES

Volunteerism

The borough's greatest asset is the commitment of volunteers and businesses to supporting community objectives. This is evident in the borough's ability to replace several paid positions with volunteers. This practice has proven particularly successful in the recreation program and the library.

Those paid positions that the borough has been able to replace through attrition include Insurance Commissioner, Risk Manager, Recreation Director, and Welfare Secretary. In the recreation program, businesses sponsored all of the basketball teams whose coaches were all volunteers. At the library, the volunteer Board of Trustees is responsible for administrative functions. Staffing is kept to a minimum by using four parents to conduct a variety of creative story hours for children. Additionally, the Friends Group has paid an initiation fee for the library's membership in a large print book circuit.

Regionalization

To provide more extensive health care coverage at a more affordable cost, Jamesburg has contracted with Middlesex County for health services. Through the county contract, residents receive services that the borough would never be able to offer as a single entity. Borough officials believe it to be a very effective program.

Jamesburg is also a member of the Middlesex County Joint Insurance Fund. This type of contracting lowers insurance costs by spreading the risk over a greater and more diverse covered population.

The borough has also regionalized its dispatching services by contracting with Spotswood.

Though perhaps efforts were not as aggressive or organized as possible, there are other regionalization opportunities that the borough has explored, at least to some extent, including police, library, animal control, and uniform construction code services. To date, other communities have not been interested in these shared services with Jamesburg.

Welfare

The Welfare Director has been aggressive in providing services in a most efficient and organized manner. Since July of 1994, the borough has been pro-active in detecting and preventing fraud and duplication. This department sets a very positive example for other municipal welfare departments to follow.

INTRODUCTION

The Borough of Jamesburg occupies a .89 square mile area in central New Jersey, less than five miles from New Jersey Turnpike exit 8A. The borough is approximately 95% developed, and is comprised mainly of residential properties. It is entirely surrounded by Monroe Township.

The population is approximately 5,300, based on the 1990 census, with a median household income of \$41,935 and a per capita income of \$17,155, both as of 1989.

The Borough of Jamesburg has come under intense scrutiny over the past few years due to the questionable, and in at least one case, criminal, activities of several borough employees. These officials are no longer in office and have been replaced with employees who are making attempts to correct the past and improve the future. In a municipality as small as Jamesburg, however, opportunities to make changes are limited and necessary improvements may prove to be too financially burdensome.

The greatest impediments to improved government are the lack of organizational structure, administrative direction and internal controls. The assurance of accountability is severely hampered by the current organization. In most cases, there is only one employee responsible for a particular function. There is, therefore, no backup and no system for separation of duties or internal control. Employees are also required to work in an atmosphere of chaos and disorganization because of the inadequacy of borough facilities.

While it is technically possible for the borough to hire necessary staff and improve facilities, it is apparent that Jamesburg Borough does not have the tax base or the population to support an administrative structure that would assure accountability and control, or the funds necessary to renovate municipal facilities in order to improve services. Not only is it financially unrealistic for the borough to hire additional staff to improve current services, it is even more unrealistic to hire enough staff to expand services. The services currently contracted out by the borough are services that are efficiently and effectively offered by municipalities of greater size and financial strength.

The cost of improvements in accountability, control and facilities that are urgently needed in Jamesburg can be estimated at over \$2,100,000. This estimate includes hiring a professional administrator and two clerical employees, as well as improvements to municipal facilities to comply with the mandates of the Americans with Disabilities Act ("ADA"). A conservative estimate of nearly \$4.4 million is what it would cost Jamesburg to operate with facilities and staff necessary for the provision of adequate services to the public. This estimate is to be contrasted against general revenue of those same selected operations and tax revenue of \$1,620,963. Therefore, a rough estimate of the 1994 operational loss, if facilities had been brought into ADA

compliance and adequate and appropriate staff had been employed, is \$2,777,193 (\$2,100,000 of which is a result of the staff additions and facility improvements). The costs include what we believe to be necessary additions and improvements to ensure efficient and adequate provision of services. In the interim, however, or even longer term if the borough does not pursue the consolidation option discussed below, the expense of a professional administrator may be money well spent in light of the other issues discussed in this report.

Because we believe that this financial burden would be too great for the taxpayers of the Borough of Jamesburg, we are recommending that Jamesburg consolidate with another municipality. If the borough chooses not to do that, we recommend regionalization of as many services as possible. It should be noted that a larger municipality with greater ratables could reasonably assume the provision of services in Jamesburg at substantially less cost due to efficiencies of scale and organizational control. For instance, the larger municipality would (presumably) already be employing department heads with appropriate, required licenses and certifications. Any additional staff needed to accommodate the increase in services would most likely be in the clerical or laborer positions. These positions are much less costly than department head positions, which Jamesburg is currently required to employ.

CONSOLIDATION OR REGIONALIZATION

CONSOLIDATION

The single most important recommendation of this team is that the Borough of Jamesburg seriously consider consolidation of its total administrative structure with another municipality to curb the rising cost of governmental services. Consolidation is most feasible with Monroe Township, as it completely surrounds this small borough. Jamesburg is a .89 square mile community that is approximately 95% developed and is comprised predominantly of residential taxpayers. With a population of approximately 5,300 and an equalized valuation of \$130,694,000, the relative expense of providing services at a level comparable to other communities of much greater size and financial capability is no longer possible. It is our belief that no matter how efficient and organized the borough may become, the small core of taxpayers are no longer able to support the growing service needs of this municipal government without substantial tax increases.

Current state law permits the consolidation of municipalities with voter approval. Prior to consolidation, a Joint Municipal Consolidation Study Commission must first be elected. This may be proposed by ordinance of the governing body proposing consolidation or by 10% of the registered voters of this municipality. Commission members must be elected in the next general election or regular municipal election of both municipalities involved in the proposed consolidation. The Commission shall consist of five members from each municipality, and a representative appointed by the Commissioner of the New Jersey Department of Community Affairs. A final report by the Commission is due within nine months of the election.

The Department of Community Affairs is ready to assist municipalities by providing technical assistance to explore and facilitate the inquiry into and the process involved in municipal consolidations.

It should be kept in mind that loss of identity for the absorbed community is not necessarily an integral part of municipal consolidation. In fact, while many communities may formally be part of a particular municipality, they have kept the separate identities they enjoyed in previous eras. Examples of these entities maintaining distinct identities include Ocean Grove in Neptune Township, Belle Mead in Montgomery Township and Kendall Park in South Brunswick Township. The consolidation of Jamesburg with another municipality could very easily yield the same result. The residents of Jamesburg could still enjoy a separate identity while at the same time benefiting from greater services at less cost.

The recommendations made in the Findings and Recommendations section of this report have been made under the presumption that the existing governmental structure in Jamesburg will remain as it is today. A description of current revenues and expenses of the main departments/services is provided to assist the borough and possible partners in understanding the

scope and cost of the borough's operations. We believe it is both possible and practical to consider the regionalization or consolidation of each of these operations. This consolidation or regionalization section defines those areas in which we believe improvements can and must be made to control taxes and ensure accountability, but in Jamesburg's case, cannot be made due to the resulting financial burden that would be placed on the taxpayers.

Staffing

A. There are approximately 44 regular employees, including crossing guards. Only 16 of these employees are working on a full-time basis. Most departments are presently staffed by a department head with few support positions. Three key departments are staffed solely by the department head - Clerk, Finance, Tax Collection. This situation lends itself to a variety of potential problems, with varying degrees of seriousness:

1. In several departments, there are no back-up or cross-trained staff to provide sufficient office coverage when regular employees are not at work. This leads to an employee feeling that he/she cannot take time off. During the employee's absence, the services of that department are not available to the taxpayer and public. This is particularly true in the Clerk's Office, Finance Office and Tax Collector's Office where additional help would be warranted, but is apparently unaffordable.
2. Since the departments are often staffed by only one employee, there is little or no time to concentrate on planning, organization and improvements.
3. Lastly, but most significantly, is the potential for illegal activity due to the inherent lack of internal controls. It is impossible to separate the duties of a particular department to ensure both oversight and the necessary system of checks and balances. Although this team believes that the borough has been generally successful at ridding itself of its previous problems and now has a group of fairly dedicated, competent employees, the opportunity still exists for mismanagement and illegal activity.

B. There is no single staff member serving as a point of contact with outside entities, nor is there one staff person responsible for the oversight and coordination of all of the municipal government activities. This results in:

1. The perception of disorganization verging on chaos.
2. Few, if any, consistently followed procedures across departments.
3. Minimal administrative direction resulting in misplaced priorities and non-productivity.
4. The dissemination of inconsistent and/or incomplete information on borough activities.

Municipal Facilities

It has been so difficult for Jamesburg employees to handle their workloads in the thirty-hour workweek that the municipal building is now only open to the public three days a week. The staff doesn't even answer the phone on Mondays and Thursdays in order to complete their work. Obviously, this arrangement is not conducive to gaining the confidence of the residents of Jamesburg.

Almost all of the municipally-owned facilities that this review team visited were in a state of disrepair and were inadequate for the functions performed within them. The borough has not met the requirements of the Americans with Disabilities Act in these buildings, which include the municipal building, senior citizen center and the library. The only satisfactory facility was the Roads Department garage, which was built within the past few years.

The lack of adequate facilities is particularly true in the case of the municipal building, which houses the departments of Police, Borough Clerk, Finance Officer, Tax Assessor, Tax Collector, Court, Welfare and Construction Code. Even with minimal staff levels, Borough Hall does not contain sufficient work space, storage space or reception area for interaction with the public. Most offices are no larger than closets and do not allow for privacy or quiet work time. Storage space is almost non-existent, which leads to a situation where boxes of office documents are “stored” in what little open common area there is in the building. For example, police department evidence is stored in an unsecured closet that also stores general office supplies and equipment. There is no jail, so the police department is forced to detain individuals in custody by using handcuffs attached to a bench in the public area of the department. The overall working atmosphere is often one of chaos because of the inadequacy of the facility.

The Senior Citizen Center is in such disrepair and so underutilized that this review team feels strongly that it is not in the best interests of the municipality to spend any money on improvements.

Library services should be consolidated and the building sold. Although the municipal library building is in adequate condition and the cost of addressing ADA compliance issues is relatively low, the volume of activity handled by the library and the budget for the library are both so small that they do not and cannot sustain a full, state of the art library operation. The two most likely candidates for consolidation are the school system or Monroe Township. The three main reasons for recommending a library merger with Monroe are: 1) there is an urgent need for administrative structure and control, 2) the current level of services is not sufficient to justify a separate system for delivering services, and 3) the borough’s tax base is so small that it cannot sustain delivery of municipal services in a manner that assures responsiveness, accountability and adequate quality.

The costs currently incurred by Jamesburg Borough for water and sewer, telephone, gas and electric is \$32,000 annually for all buildings. Because sale of the garage is not recommended, the cost of continuing to operate the garage is \$5,000 and is not included in the estimate of cost reduction. This cost reduction estimate is the utility savings which would result from our recommendation to sell the other municipal facilities.

Recommendation: Though the review team recognizes the absolute need for additional staff and facility improvements, or the relocation of services to more adequate sites, the team cannot recommend that the borough spend additional tax revenue to improve these situations. Rather, the prime alternative for Jamesburg is to seek other alternatives to delivering the services

themselves. The most logical and obvious alternative is to expand the current relationship with Monroe Township, which entirely surrounds the Borough.

Cost Reduction: \$27,000 in annual utility costs after sale of municipal facilities

OTHER CONSOLIDATION ISSUES

Property and Equipment

Total assessed value of all municipally owned property is \$873,400 (\$119,700 of which is vacant land). As of August 1, 1994, the insured value of all buildings and contents was \$1,647,100; all Police and Public Works vehicles was \$120,200; and all Police and Public Works equipment was \$125,200.

Recommendation: The borough should, as soon as possible, review the possibility and feasibility of selling its vacant land. If consolidation occurs, Jamesburg would also be “credited” with \$753,700 in municipal property value, \$1,647,100 in equipment and building value, and \$245,400 in vehicle value.

Local Tax and Service Implications

Application of the 1994 effective tax rate of Monroe Township to the 1994 Jamesburg Borough net value taxable would yield an income to Monroe of \$365,000 under consolidation. This is \$727,000 less than Jamesburg Borough raised in taxes for that year. In order for consolidation to succeed, Jamesburg operations would have to be assumed by Monroe without assuming a significant increase in costs. A consolidation study would have to determine the capacity of Monroe to assume this work with no substantial increase in cost. If practical and feasible, Monroe would realize \$365,000 in new revenue and Jamesburg taxpayers would pay \$727,000 less in property taxes.

Not only are the tax implications favorable for residents of both communities under consolidation of municipal operations, but residents of Jamesburg will surely benefit from a considerable improvement in services. Monroe may also benefit from increased services due to a larger resident base. Programs and services that were previously unavailable due to an insufficient number of participating residents may be efficiently and effectively delivered to the new, larger group.

REGIONALIZATION

If the taxpayers of Jamesburg and/or the potential consolidating municipality are opposed to actual consolidation, we believe it is in Jamesburg’s best interests to regionalize as many services as possible. Many of the issues highlighted above are also relevant to regionalization of services. Under regionalization, it is conceivable that the borough would only need to employ one staff member to act as an agent to administer the regionalized contracts and to serve the Borough Council. There is a plethora of material available through the Department of Community Affairs

on this issue and department staff members are available to serve as brokers for these services, as well as to provide general guidance and assistance. While either consolidation or regionalization can be accomplished in a way that would benefit the taxpayers of both municipalities and provide for the organized and controlled administration of government in the Borough of Jamesburg, we believe that the greatest efficiencies will be realized through consolidation.

FINDINGS AND RECOMMENDATIONS

TABLE OF ORGANIZATION

The borough lacks an organization chart. There is no strict chain of command, with the exception of the police department, which is necessary due to the nature of the work. There is, however, a long-standing positive working relationship among most staff members and we commend them for their efforts.

Despite staff efforts, however, Borough Hall lacks the privacy necessary to conduct sensitive or confidential work, let alone routine tasks. The proximity of each department and the limited office space promotes an informal method of conducting business which results in numerous interruptions from staff and the public. No system of appointment scheduling exists, which often leads to confusion and frustration in the workplace.

The official Borough Hall hours are 9:00 to 4:00, with a one hour paid lunch, for a thirty-hour work week. By Council action of February 27, the Borough Hall is now closed on Mondays and Thursdays for a trial period, to give the staff non-interrupted time to get work done. Not only is the staff unavailable in person, but phone calls are not answered during this time. Nothing will serve to undermine public confidence more than a decreased responsiveness to the public's needs, particularly in a municipality like Jamesburg, a municipality whose employees have been sharply criticized and scrutinized.

The Borough Council's reasoning in closing Borough Hall twice a week was to enable the office staff to keep work assignments up to date. Until then, the staff was falling behind on a variety of tasks because they were spending a great deal of time answering phone calls and responding to drop-ins. There is no one available to handle routine matters or refer questions to appropriate staff members in order to save department heads from having to perform those functions, as well as deal with the daily responsibilities of their offices. Although well-intentioned, the actual execution of closing Borough Hall and the potential negative consequences may not have been fully considered. The Police Department was burdened with serving as the telephone link to the municipal offices until an answering system was put in place.

Recommendation: We suggest developing a restructuring plan to define internal operations and provide for a more efficient operation. This plan should provide for an organizational chart and an identification of what each staff member is responsible for and to whom each employee reports. The borough might also consider assigning one staff member each day, on a rotating basis, to the task of responding to telephone and walk-in inquiries, and referring matters to the appropriate departments. We do not support the closing of the municipal building. Instead, we recommend that Borough Hall work hours be increased to at least seven hours of actual work per day; many municipalities require eight work hours per day. The additional time should give employees the opportunity to complete work assignments and bring Jamesburg in line with most

other municipalities and private industry in terms of work hours per week. We also recommend, however, that daily interference from other employees and government officials be eliminated as much as possible to allow for the time necessary to perform the duties of each position. We also support the use of an answering system to assist in providing telephone availability to borough offices.

PERSONNEL

Administration

At the present time there is a Personnel Policies document under review by the Borough Council. In the absence of a manual, municipal workers rely on verbal, generally accepted procedures. Most employees understand what is expected of them in terms of work product and conduct. Furthermore, they are aware of the employee benefits delineated in union contracts. However, the limited existence of written regulations and procedures leads to a lack of direction and control of the staff. Without it, borough employees may unwittingly violate laws, such as those regarding sexual harassment, Americans with Disabilities Act non-compliance, discrimination, and Federal and State Family Leave Act violations.

There are no formal job descriptions for any employee positions. Employment requirements can only be found in the union contracts, which cover only a percentage of total positions.

There are no annual performance reviews given for any employee. Promotions are based on seniority, and there are no specific testing requirements.

Personnel records for approximately 33 borough office employees (not including crossing guards) are maintained by the Borough Clerk and the Chief Financial Officer is responsible for management of employee health benefits. These records have historically been neglected. Most of the files do not contain the type of information that is legally required and that should be maintained on each employee, such as hiring, discipline, performance, training, and termination records. Files are largely sparse or non-existent. Complete and accurate personnel records are essential to competent management of any organization. They are necessary to track employee performance and provide important information on individual employees. The Borough Clerk and CFO have recently begun to develop a more complete personnel file system.

Employee records are maintained by the Borough Clerk, but there is no standard time sheet or leave request form. Further, these are not submitted on a consistent and timely basis, which places a burden on those responsible for maintaining the integrity of the employee records.

Recommendations: We suggest the borough continue to move forward in its efforts to develop a comprehensive personnel policies document and employee handbook. Such a handbook would improve understanding of employee rules, regulations and benefits, and would provide direction and control.

Job descriptions should be generated, maintained, and accessible. This will assure proper job assignments and reduce the likelihood of a misunderstanding between the employee and employer. They should also include physical, medical, and academic requirements in order to ensure compliance with federal employment regulations.

Performance evaluations are critical to assessing the success or failure of an employee's performance on the job and should be required for all employees on an annual basis. Employees falling short of job expectations should be counseled and removed from their jobs if they continually fail to adequately perform the functions of the position.

We recommend that the Borough Clerk and the CFO coordinate their efforts to develop a more comprehensive personnel records system for all employees. Health-related records on each employee should also be maintained, but should be kept separate from the personnel records in accordance with the mandates of the Americans with Disabilities Act. We recommend that all staff be instructed to assist the Borough Clerk and CFO with the development and upkeep of complete personnel records.

Employee time sheets and leave requests should be submitted according to a schedule, and in addition, a monthly attendance report should be generated for each department head and staff member.

Salary and Wages

Salary increases for the last three years have reportedly averaged 6% per year. These are considerably higher increases than most governmental entities have granted over the same period of time.

The Tax Collector also serves as the Sewer Administrator and receives an additional \$18,000 for the sewer utility work. This salary is almost the same as the salary received for tax collection duties.

In 1994, the Roads Department assigned one of its three employees to carry a beeper every weekend for the purpose of responding to emergency calls. This duty was assigned on a rotational basis and the employee was paid at his regular hourly rate for four hours each weekend day. When the employee was actually called in to work, he was compensated for an additional eight hours at straight time. Under this practice, the employee carrying the beeper is entitled to a minimum of eight hours of pay per weekend without actually working. The minimum cost to the borough in 1994 was \$5,391, based on an average of the three employee salaries. This does not include the additional cost of hours actually worked on weekends, which could not be readily determined by borough staff or records.

Longevity currently exists only for Police officers. The 1994 cost of this benefit was close to \$1,400, which equates to approximately one tenth of a tax point.

Recommendations: Salary surveys and union contract comparisons of comparable municipalities should be completed on perhaps a biennial basis in order to determine salary increases that are most appropriate and fair.

Rather than pay two full-time salaries for one combined full-time job, we recommend that the Borough Council review the duties and workload included under the Tax Collector and Sewer Administrator titles, and reduce salary accordingly.

This practice of stand-by/call-in pay should be carefully reviewed for its necessity and cost. According to the Fair Labor Standards Act, stand-by time that permits employees to come and go freely, even if they need to make themselves available for work should the need arise, is time that can be excluded from hours worked. The current practice can be unnecessary and financially burdensome for the borough. We believe the borough should eliminate this costly benefit.

Cost Savings: \$5,391 based on 1994 salaries

The borough is strongly encouraged to eliminate the longevity benefit.

Cost Savings: \$1,400 in 1994.

Leave Benefits

The policies regarding allotment and accrual of leave time are widely inconsistent among departments. In the absence of clearly established policies, convenient practice has taken the place of prudent judgment. Annual carryover of leave is at the discretion of the department head and is not subject to a particular guideline or oversight.

Vacation leave benefits differ from one department to another and there is no written policy regarding the carry over at year-end for accrued time. The borough offers a maximum of seven weeks of vacation leave - far more generous than most other municipalities. A mixture of leave and accrual scenarios was created. The unused vacation leave for the 19 eligible employees for 1994 was 208 days. This was compared to the 1994 annual allotment to determine if employees were permitted to carry over more than one year's worth of accrued time. It was observed that year-end vacation leave balances for six employees exceeded their annual allotment by 58 days. This is valued at \$8,635 and establishes a monetary liability for the borough.

Sick leave benefits have different guidelines relative to annual accruals and year-end carry over policy. The accrued sick leave at 1994 year-end for all departments was 536 days, valued at \$88,269. This places a considerable liability on the borough. Police officers earn sick time at the rate of 12 days per year and can accumulate unlimited time. This liability can be paid out upon retirement or total disability in a combination of ways at the officer's discretion. The officer may be paid \$75 per day up to a maximum of \$2,000, may use up all accrued sick time at full pay, or may combine the two in any manner.

Road Department employees earn 10 sick days per year and are permitted an unlimited

accumulation of this leave during employment. They are not, however, compensated for this time upon separation from service.

All other employees earn 10 sick days per year and are allowed a maximum accumulation of 30 days. They are not reimbursed for unused sick leave when they terminate employment.

There is no written policy regarding the year-end carry over of personal leave for any group of employees. The practice in the Police Department is to allow any and all of the annual earned time to accrue to the following year. The police earn four days each year and are permitted to transfer up to five vacation days to their personal leave balances. This practice has resulted in a 1994 year-end carry over of 28 days, with a value of \$4,301. The other departments earn three days each year, but this time is not carried forward to the next year.

Recommendations: All items not covered under union contracts should be specifically described to provide appropriate direction and control over personnel matters. Since written permission has not been granted for these leave benefits, and since union contracts and informal practices have specifically limited or prohibited the accumulation of vacation, sick and personal time, claims of excess time should not be recognized.

It is strongly recommended that the borough's approved maximum allotment of vacation days be reduced to permit no more than five weeks. The current allotment of seven weeks is extremely generous and far and above the acceptable leave permitted in other municipalities. Once the allotment is reduced, consideration should be given to a vacation leave policy that would officially allow for some limited amount of carryover, perhaps a maximum of one year's worth of time. This would allow employees the opportunity to use their vacation time when it may be of more importance to them.

The sick leave policy should allow for accruals from year to year to enable employees to secure protection against long-term illness. If the borough wishes to permit payment upon retirement, it is strongly recommended that the maximum payment for accrued, but unused sick leave be capped. We do not recommend that the borough make such payment for any other type of termination of employment.

We recommend that the Police Department practice of allowing the transfer of vacation days to personal leave balances be eliminated and that no carryover of personal leave be permitted.

Lastly, since leave time is earned at the beginning of each calendar year, new employees should accrue time on a pro-rated basis.

Health Insurance and Other Benefits

Health insurance benefits are provided through the State Health Benefits Plan. One governing body member is receiving health benefits at a cost of \$6,180.

Road Department employees are given \$300 beginning in January 1995, to cover the cost of uniforms and \$60 in January and July for boots. They submit paid receipts to the Finance Officer after the work apparel is purchased. It should be noted that there is no requirement for a standard uniform or monogramming of the borough name on the clothing.

Police officers are outfitted with a full set of gear, including three uniforms, after they become a permanent member of the force. After this initial outfitting, it is the officers' responsibility to purchase and maintain their gear, although they receive an annual allotment of \$1,050, paid to all members of the force except the Police Chief. Paid receipts are presented to the Finance Officer at year-end for purchases of clothing, as well as dry cleaning and repair services. Equipment such as a pistol, ammunition, badge, and flashlight are not part of the \$1,040 clothing/maintenance allowance. These articles are issued as needed.

The Road Department employees are covered by the International Brotherhood of Teamsters, Local 210 contract, which provides employee benefits such as health insurance, dental coverage, an annuity plan, and a scholarship plan. These benefits are paid for by employer and employee contributions. The union handles all claims and processing for health insurance on behalf of the employee.

The union submits a monthly bill to the Finance Officer for the aggregate benefits, which is then reconciled to actual employee deductions. There is no obligation for the union to provide an accounting of the actual costs for each benefit per employee.

The current policy requires that police officers receive full tuition reimbursement after submitting a paid receipt to the CFO. There is no grade requirement, not even pass/fail, to receive this benefit.

Recommendations: We urge the governing body to eliminate health benefits to governing body members. The provision of health benefit coverage should be preserved for those part-time (20 hours or more per week) and full-time employees whose main employer is the Borough of Jamesburg.

Cost Savings: \$6,180

The Borough is also advised to bid the purchase and maintenance of uniforms, or obtain these services through State Contract. In lieu of formal bidding, since the total now paid is less than the bid threshold, the borough should seek quotes from nearby vendors or enter into a cooperative agreement with neighboring towns for these purchases and services. This would reduce the related workload in the Finance Department and would ensure that reimbursements are used exclusively for the purpose intended.

Should the employees covered by the union contract wish to have benefit payments increased, the borough should request documentation of the actual costs, per union member, of each benefit

prior to agreeing to any increase in payments. This will assure the borough that payments made are for direct expenses.

Tuition reimbursement should only be given after the successful completion of an approved, job-related course, with a minimum acceptable grade.

GENERAL PURCHASING

Should the borough decide to remain as is, there is a need to tighten up purchasing practices that have historically been carried out in a random manner. One staff member should be responsible for oversight of all purchases to ensure control and adherence to budgetary restraints. Department heads should receive a copy of their approved departmental budget, as well as monthly budget printouts to avoid overexpenditures.

Police Ammunition Use

A review of the invoices for ammunition purchased in 1994 indicates that more than ten thousand rounds of ammunition were purchased. The state requires weapons qualification twice per year using 60 rounds each. In Jamesburg, this would require a total of 1,560 rounds for the year for qualification of all sworn officers (including Class II Special Officers). The Police Chief stated that he has been very liberal in providing ammunition to the force for target practice between qualifications.

Recommendation: It is suggested that this practice of a generous supply of ammunition to officers for practice be reviewed to determine the most appropriate balance between necessary training and the cost borne by taxpayers for such training.

Road Department Purchasing Control

There appears to be a somewhat haphazard approach to purchasing supplies and equipment in the Road Department. For instance, nine new 12 volt auto/truck batteries were purchased in 1994. However, there are only seven pieces of equipment that require such batteries. Also, of the nine possible credits for dead core returns, only two invoices showed such credits. The staff was unable to explain why this occurred. The lack of equipment maintenance records makes it difficult to keep track of the costs associated with required maintenance and the parts needed for repairs.

The Buildings and Grounds line item expenditures were exceeded in several instances, although total spending was within budget. The line item budget provided for expenditures in two lines, office supplies and repairs and maintenance. The office supplies line was overexpended by almost \$700. Repairs and maintenance was underexpended by about \$1,100. Monies were also expended to purchase new equipment and cleaning supplies, even though the department had no budget to do so. This lack of adherence to the budget could be the result of three different issues,

all of which point to the need for control and administrative direction: the budget may not realistically take into account the needs of the department; departmental employees may not understand the need for appropriate adherence to budgetary expenditures; or, it could be the result of the lack of administrative oversight of expenditures and required back-up documentation to catch the potential overexpenditure.

Recommendation: This is another example of why one individual should be in charge of purchasing. It is suggested that purchasing records be kept which record the parts and supplies purchased for each piece of equipment. Vehicle records should also be used to document when and where maintenance was performed. The borough should consider bidding vehicle maintenance services in an attempt to get the lowest price available.

It is recommended that staff receive greater instruction and direction on adherence to budgetary restraints, and that greater administrative controls be put in place.

Gasoline Usage

In 1994, the borough received delivery of 12,548 gallons of gasoline. Based on ten months of fuel use records (plus an estimate for two months, since those records were unavailable), fuel use by department were as follows:

- Road Department 1,983 gallons
- Police Department 10,123 gallons
- DARE 52 gallons
- Board of Education 390 gallons (paid for by Bd. of Ed.)

The Police Department controls the pump with a switch inside the station. The switch is often left in the on position. Usage records indicate a number of inaccuracies in usage entries, apparently due to careless reading of the tank meter.

Recommendation: It is recommended that the Police Department keep tight control on the usage of the gas pump to prevent the opportunity for pilferage and to detect any possibility of a leak in the tank. Closer attention should be paid to the recording of fuel usage to avoid inaccuracies and/or the use of gas for private vehicles. The borough should investigate the federal guidelines regarding 1,000 gallon underground storage tanks to ensure that they are meeting those requirements.

CLERK'S OFFICE

The Borough Clerk's Office expenses include the salary and benefits of the Clerk and Mayor, and the salaries of the Borough Council. Functions performed include all statutory clerk and governing body responsibilities, as well as administrative functions such as personnel and limited

management of the borough. In 1994, this function cost the borough approximately \$16,210 in operations and \$82,875 in salaries and benefits.

It is clear from the team's review that there is an absolute need in Jamesburg for direction, control and organization of the daily affairs of government. Despite sporadic efforts, this is not being successfully accomplished under the current governmental structure. This need can best be satisfied by an experienced professional administrator or manager. Such an expenditure, however, is beyond the financial capability of the Borough of Jamesburg. Other opportunities for provision of professional management should be sought, preferably through consolidation or contract with another municipality employing such management.

Duties

The Borough Clerk handles all statutory responsibilities of the Clerk's Office, as well as maintenance of personnel files, limited personnel action activities and liaison responsibilities with outside agencies and residents. Many of these responsibilities appear to be authorized only through the verbal direction of the Borough Council and not through formal written directive. This lack of written authorization can lead to misunderstandings and employee relationship and reporting problems on the part of all employees. It is also an unfair burden on the Borough Clerk.

Recommendation: Since written personnel policies are now being drafted, it is recommended that reporting relationships and personnel responsibilities, as well as the consequences for non-adherence, be formally defined.

Council Agendas

Previous attempts have been made to require submittal of agenda items on a timely basis so that the Clerk can prepare the agenda and the associated information and distribute it to Council members in advance of the meetings for review. These attempts have largely been disregarded. This has led to an insufficient amount of time provided to the Clerk to prepare meeting material and an inability to properly prepare Council members for the discussion. It has also led to meetings that contain topics that have not been properly advertised in compliance with the "Open Public Meetings Act," or "Sunshine Law," which mandates, for one thing, that the public have knowledge of governing body meeting discussion topics through proper notice. Discussion of items without such proper notice leaves the public at the disadvantage of not always being informed on or having the ability to speak on topics of importance to them. While it may not be intentional, the lack of proper notice interferes with the public's right to open government.

Recommendation: It is certainly appropriate to establish and adhere to a deadline for submittal of agenda items to the Borough Clerk. Once finalized, the agenda should be followed and attempts to add non-advertised items during the meeting should not be permitted. This will help to ensure that Council members have adequate information on the items before them and that the "Sunshine Law" is not violated at the public's expense.

Fees

Certain fees were reviewed in 1994 and increased in accordance with statutory regulations. The borough introduced a new fee ordinance for this year. While many fees are well below their maximums, the Council has been taking action over the past couple of years to review them and make increases when appropriate.

Recommendation: The Borough Council is encouraged to continue this review process to ensure that an undue financial burden is not being placed on the taxpayer.

Codification and Meeting Minutes

The Borough Code Book is in a loose-leaf binder that is kept with the Borough Clerk. There appeared to be no other copies available. Many of the items did not appear to have been updated in a number of years and it is not formally codified. Lack of codification is presumably due to the associated cost of approximately \$12,000.

Another concern is the insufficient maintenance of Borough Council minutes. While this situation may very well be due to lack of available staff time, it prevents timely access to a written record of council decisions.

Recommendation: It is recommended that the Borough Council authorize the codification of its ordinances and make copies available to other staff and the public for use. Codification would ensure proper organization and collection of all borough ordinances and regulations to avoid any confusion or misunderstandings for staff, the general public and those specifically affected by borough ordinances. It would also greatly reduce the opportunity for misplacement or destruction of ordinances.

It is also recommended that minutes be kept up to date to provide an accurate, timely record of official borough discussions and actions to avoid misunderstandings of intent or actual actions taken by council members.

Value Added Expense: \$12,000 for codification.

Legal

Jamesburg spent \$21,000 on operating expenses and \$15,000 on salaries in 1994 for legal services. \$3,800 was spent on a salary for the Municipal Prosecutor.

Professional Contracts

In 1994, Jamesburg spent \$20,500 on an Engineering Contract, \$10,929 in operating expenses and \$2,120 in salaries for the Planning Board; and \$4,500 in operating expenses and \$1,550 in salaries for the Zoning Board of Adjustment.

RECREATION

The Recreation Department is run by a volunteer Recreation Director. This position was formerly a paid position. Expenses are only incurred for officiating and the purchasing of equipment. Activities include summer camp, basketball, cheerleading, and baseball for children, and basketball and aerobics for adults. Operating expenses in 1994 were \$5,699 and the salary expense was \$6,448.

The program is exemplary in its use of volunteers and community support. In the 1994 season it had 125 youths participate in the basketball program and 73 in the new cheerleading program. Thirty volunteers provided coaching and supervisory support, in addition to business sponsors providing shirts for basketball. For the first time in eight years, Jamesburg provided a little league program this year with 175 children registered between the ages of 5 and 12. It will cost \$2,000 to equip twelve teams, including additional costs for umpires. A free summer camp for residents was attended by 120 children in 1994. The camp operated for three days per week for four weeks. The cost of the program consisted of counselors' wages and busing for trips and supplies. Using last year's expenses of \$4,800, it cost approximately \$10 per week per participant.

In 1994, the two adult programs coordinated by the Recreation Department were basketball and aerobics. Both were designed so that all expenses were paid by the participants.

There is a degree of regionalization in the recreation program. If Jamesburg does not offer a particular program, Monroe will accept Jamesburg residents. First priority is given to Monroe residents and nonresidents are charged an additional fee. While this arrangement has been relatively successful, Jamesburg was forced to start a cheerleading program because its residents were shut out of the Monroe program in the fall of 1994.

The Recreation Committee Chair and the Recreation Director are attempting to develop an even greater cooperative relationship with Monroe's Recreation Department. Jamesburg has a significant amount to offer in terms of volunteers and business support. It appears to be in the best interests of both municipalities to cooperate and coordinate recreational activities. Using Jamesburg's new Little League program as an example, Jamesburg is incurring additional expenses and Monroe could be losing anywhere from \$4,000 to \$8,000 in revenues that it would have received had Jamesburg's residents participated in Monroe's program.

Recommendation: We suggest regionalization of all recreation programs with Monroe. In lieu of cooperation, or for those programs that can't be regionalized, fees should be collected to mitigate the program costs. Understanding the philosophical differences surrounding fee based and non-fee based programs, it is recommended that the borough develop a policy regarding the amount of tax subsidy that is deemed appropriate for recreation activities. Anticipated revenues from fees should be estimated and included in the municipal budget each year.

Cost Control: Prevent local duplication of available services.

Revenue Enhancement: Increase in revenues from fees.

SENIOR PROGRAMS

Between 1979 and 1981, Jamesburg purchased two buildings for \$97,600 with Community Development Block Grant money to serve as a regional senior center. Of the two buildings, only one is currently used for senior programs, averaging a sparse six hours per week. The other building is a residential rental that is not restricted to senior citizens. Middlesex County has since refused the borough any financial support because there was no accountability for program money and activities. Expenditures for the senior citizen program in 1994 were \$3,752.57, out of a \$5,125 budget. In addition, approximately ten Jamesburg residents attend the congregate nutrition site in Helmetta on a regular basis.

The buildings in Jamesburg are not well maintained. There are windows that need to be repaired, painting that needs to be done, and a general refurbishing that is necessary. It would cost approximately \$40,000 to retrofit the center to meet the requirements of the Americans with Disabilities Act. The second building, which is currently being used as a residential rental, generates \$8,250 annually in rents.

Recommendation: The borough should close and sell the sparsely used center, as well as the rental property, and consolidate the delivery of services to senior citizens in the Monroe, Jamesburg and Helmetta area. Jamesburg will be required to return proceeds to Middlesex County from the sale proportionate to the grant funding received, unless an agreement can be reached with the county to allow the proceeds to be used for similar purposes under the new service consolidation arrangement. The lack of documentation on the Community Development Block Grant contract makes it difficult to determine the total percentage that would be returned.

Revenue Enhancement: One time proceeds from the sale of the buildings (currently assessed @ \$180,400), less proportionate grant funds returned.

Cost Savings: \$3,700 - \$5,125 per year in operating costs.

Potential \$40,000 in required ADA renovations.

WELFARE

The welfare operation is run by a part-time Welfare Director who works approximately two hours per week in Borough Hall. The department now handles approximately four cases per year. In 1994, \$1,250 was spent on operations and \$4,028 was spent on salaries (no benefits were paid).

When the current Welfare Director was hired at the end of July 1994, there was \$2,000 in the PATF II account and there were 19 open cases costing as much as \$5,000 - \$7,000 per month. The Council was on the verge of passing an emergency resolution to provide more municipal money to support welfare cases. The 1993 audit report had comments that the PATF account was in poor condition and that GA6 forms (used for cross matching to find fraud) and GA12 forms (used to secure reimbursement) were not filed in a timely manner, if at all. The GA15 form,

which authorizes state aid, and the GR form, which directs payments to the municipality, were also not filed in a timely manner.

Over the course of the 10 months prior to this state review many improvements have been made in departmental operations. The new Welfare Director closed out and reopened the PATF accounts in order to straighten them out. The Welfare Director writes and mails checks and the Finance Officer balances the accounts each month. The financial records appear orderly and up to date. The GA15 has been filed and the GR form issue is in the process of being resolved.

There is currently \$23,920 in the PATF II account. The GA12 form is filed every time the amount due reaches \$500 and the form is copied to the auditor. The GA6 forms are filed in a timely manner so that fraud and duplication can be detected. The PATF accounts are in order. There are currently four cases on the books and the outflow for 1995 is about \$1,500.

The Jamesburg Welfare Department is exemplary in meeting the needs of clients while operating in a fiscally responsible manner. This is accomplished with the following practices:

- Filing GA6 forms to identify any duplication and fraud. The Director has just won one fraud case and is beginning another.
- Recouping money from lawsuits - more than \$1,200 was recouped in reimbursement as the result of a lawsuit that included payment for lost wages.
- Cases that are entitled to SSI are handled in a manner that assures that the Welfare Department will recoup maintenance money paid out. Once eligibility is established, the Welfare Director has the client sign a GA31 form which certifies that the individual agrees to reimburse the municipality for the interim assistance payments. The form is then sent directly to the Social Security Office. When the Welfare Director receives notification of eligibility (form #8125), she calls the Social Security Office to make sure that the check is being sent to the Treasurer of Jamesburg. The amount of the maintenance payments is deducted from the amount of the initial SSI interim assistance payment and a Jamesburg check is issued for the remainder.
- Meeting with clients each month enables the Welfare Director to make sure the client is complying with the law and that no fraud is occurring.
- The Welfare Director routinely checks to see if a client is supposed to be paying child support and will assist in getting outstanding warrants rescinded if the client agrees to garnishment.

LIBRARY SERVICES

The Jamesburg Library staff and board are to be commended for operating as responsive a library system as possible with the limited funding available. This is accomplished with:

- An exemplary use of volunteers, including an active Friends of the Library Group.
- Tailoring the services to meet the specific needs of its community, rather than spreading limited resources too thin to try to reach the entire community.

- Actively pursuing grant funding for one time costs incurred with the addition of new services.

Using these strategies, the library has more than doubled its circulation to over 18,000 in 1994. In addition, its Friends group has paid the \$1,000 initiation fee to join a large print book circuit, which means the library will get about 130 new large print titles every three to four months. A Tisch grant of \$5,000 will enable Jamesburg to modernize library resources by adding a CD-ROM station.

Regarding libraries, Middlesex County differs from the majority of its counterparts in two ways: 1) there is no county library system and 2) most libraries in Middlesex County participate in the municipally developed MURAL reciprocal borrowing arrangement. A reciprocal arrangement of this magnitude enables a small municipal library to tailor its services to particular segments of the population, without denying patrons the additional resources of a larger library. Specifically, Jamesburg offers extensive preschool and elementary school materials and programs. It also offers an extensive array of popular fiction and nonfiction. It was reported that high school students utilize the Monroe Public Library for their needs because of its proximity to the school. Anything other than ready reference is referred to the State Library funded regional reference center in East Brunswick. In 1994, the library received a total of \$12,070 in miscellaneous revenues and state aid and the requisite 1/3 of a mill (.0003 times the state equalized valuation taxable) in property tax revenues, or \$70,955. Although the Jamesburg Public Library does well by providing a limited array of quality services through a variety of alternate funding sources, so much more could be done in a larger system with greater resources. Quality could be maintained and variety could be expanded.

Recommendation: It is recommended that the libraries of Monroe and Jamesburg merge and support one library location, and that the library in Jamesburg be sold. This would offer residents of both Jamesburg and Monroe a greater level of service through the availability and utilization of greater resources. Joint libraries, if configured properly, will maintain per capita state funding. A municipal library can only be dissolved and a joint library established if approved by a majority of voters in both municipalities.

If establishment of a joint municipal library is not successful, a second alternative would be to establish a joint public/school library. This has been successfully accomplished in neighboring Cranbury Township. The public/school library could be part of the expanded JFK elementary school and serve the K-6 population, and could provide popular adult fiction. It should be open to the public only when the school is closed and should provide for preschool programming during school hours. It should not conflict with instructional use of the library by the school.

Revenue Enhancement: One time proceeds from sale of the current library.

Service Enhancement: Expansion of services at the current level of expense and the possibility of a reduction in the need for future expenditure increases.

Fines

The Jamesburg Library charges .05 per day for overdue books up to a maximum of \$2, and .25 per day for overdue videos up to a maximum of \$10. The collection rate of fines is approximately 75%.

Recommendation: Daily fines and maximum fines should be raised to serve as a deterrent to patrons keeping overdue books and to increase revenues.

Revenue Enhancement: Up to \$500.

COURT

All court administrative functions are performed by the Court Administrator without clerical help. The borough has tried to provide part-time help in previous years, but they have not worked to the satisfaction of the Court Administrator. Court meets approximately four hours per night, two nights per month.

Operating expenses in 1994 were \$22,325 and salary and benefit expenses for both the Court Administrator and the part-time Judge were \$66,096. The court collected \$175,188 in revenue, \$91,316 of which was retained by the municipality.

There were approximately 100 traffic cases and 30 criminal cases processed per month in 1994. The Court Administrator appears to be able to handle the workload, submit reports and deposit money in a somewhat timely manner. Bank deposits are generally made within 24 hours and reconciliations are generally up to date. The bail account is current and there are no unidentifiable bail funds. The court disposes of almost the same number of cases it takes in. For example, over a twenty-four month period, the number of pending cases increased by only 35.

While the Municipal Court is generally adequately staffed given its case volume, there is some cause for concern over the lack of a backup available to assist during particularly heavy work periods or in instances of the Court Administrator's absence.

In an effort to expedite cases that may be referred to the County Prosecutor, an assistant prosecutor comes to Jamesburg once a week to review cases, identifying those cases that will be taken by the County Prosecutor's Office and those which will remain in Municipal Court. This appears to be a good practice, significantly decreasing delays in case disposition and confusion surrounding such cases.

Recommendation: Although Jamesburg's court is operated fairly well, it is recommended that Jamesburg seek an arrangement with a neighboring municipality to share court resources and services as either a joint or joined municipal court. We believe that a joint court, in which one court is operated for more than one municipality, would be the most cost efficient and would allow for sufficient staff resources.

Ticket Control

Despite being adequately instructed otherwise, it is not unusual for police officers to use each other's ticket books. This situation makes follow up on reassigned tickets difficult. At the end of February, 30 tickets were identified as issued by someone other than the officer to which the ticket was assigned. Additionally, 49 tickets were reported outstanding for more than six months.

Recommendation: It is recommended that the police officers follow the directives of the Administrative Office of the Courts (AOC) and issue only those tickets assigned directly to the individual police officer. It is further recommended that the court administrator take steps to recover the 49 tickets that have been outstanding for more than six months in accordance with AOC regulations.

After Hours Communication

The Court Administrator has an extension of the Court phone number in her personal residence from the time when she operated the court entirely from her home.

Recommendation: It is recommended that the phone extension be removed and new procedures be established for the police to contact the Court Administrator after hours.

HEALTH

Health inspections and services are provided by Middlesex County, the cost of which will be \$15,728 in 1995. Services that are provided include health education, environmental health, nursing services, communicable disease prevention, maternal and child health and adult health. Through the contract, an inspector averages 25 activities a month. More than 30 programs are offered in a given month, a few of which are presented locally, while others are available at other locations for those who are interested. The service appears to be cost effective and offers greater services than Jamesburg itself could provide for its residents for the same cost. The contract runs through 1997, and payments in 1996 and 1997 will be \$19,168 and \$22,685, respectively. The 1994 salary expense was \$2,535 for the Board of Health secretary.

INSURANCE

Jamesburg is a member of the Middlesex County Joint Insurance Fund (JIF) and is satisfied with the cost and the service. The JIF costs the borough approximately \$64,000 annually. While our review team received conflicting information on the coverages provided to the First Aid Squad by the borough, we believe that coverage is only provided for Workers' Compensation. In 1994, the First Aid Squad was responsible for 100% of the Workers' Compensation claims.

Recommendation: It is suggested that the borough work with the First Aid Squad on reducing their incidence of on the job injury. The borough should request that the squad take advantage of

the risk management services available through the Joint Insurance Fund to improve upon previous claims experience. Risk management services should include, but not be limited to, checking driver abstracts of all authorized drivers on an annual basis, inspecting facilities and reviewing practices for safety hazards. It is also recommended that the issue of coverage be clarified to the satisfaction of all concerned.

Cost Control: Given the claims experience of the First Aid Squad in relation to the rest of the municipality, premiums should decrease with an emphasis on risk management.

FINANCE

General Services

The Chief Financial Officer is responsible for all statutory functions and various related functions, including payroll, general ledger maintenance and benefits. There is no clerical assistance available, except for a part-time Community Service worker assigned by the Municipal Judge. This person is shared among several departments and once this person's community service is complete, there will be no clerical assistance available. 1994 expenses totaling \$78,350 include \$34,600 for operations and \$43,750 for salaries and benefits.

Our review team came across discrepancies in budget printouts, particularly instances of incorrect charges against line items and overexpenditures of line items. Also, vouchers were often completed in little detail.

Recommendation: Greater attention should be paid to controlling and appropriately charging line item expenditures. Vouchers should more adequately reflect the services or products being paid.

Tax Assessment

This office is staffed by a Tax Assessor working an average of ten to fifteen total hours per week, two of which are in Borough Hall. He performs all statutory functions. The secretary in this office works approximately two hours per week, but will be leaving at the end of 1995. Fieldwork assistance is also provided for two hours per week. There are approximately 1800 properties. Expenses in 1994 included operational costs of \$9,570 and salaries and benefit costs of \$27,681.

The previous Tax Assessor left the employ of the borough at the end of 1994, subsequent to the release of the report by the State of New Jersey Commission of Investigation. Under the new Assessor, there have been several improvements made in departmental operations. One improvement sorely needed by this borough is a revaluation of properties, which has been authorized. At least five properties that should have been on the tax rolls, but were not, are in various stages of being put back on, thus generating greater tax revenue for the borough. Exempt property further statements were 8 to 9 years old. They are supposed to be updated every three years. These statements have now been brought up to date.

A revaluation has not been completed since the mid-1970's. The Middlesex County Board of Taxation has ordered the Borough to undertake a revaluation, the estimated cost of which is \$63,000.

Recommendation: The Borough is encouraged to comply with the county directive immediately by following through on its recent authorization to undertake a revaluation.

Housing Authority Pilot Payment

The payment in lieu of taxes (PILOT) agreement for the Housing Authority established in 1979 calls for a minimum payment of \$12,000 per year based on gross rental payments. The agreement was amended in 1991 to increase the minimum payment by 5%, to \$12,600. The payment is to be based on 15% of gross rents, currently \$140,000, which would yield a payment of \$21,000. The borough, however, is currently only receiving \$12,600 in payment in lieu of taxes.

Recommendation: The borough is urged to review this matter with the Housing Authority to ensure that payments made in lieu of taxes comply with the agreement.

Revenue Enhancement: \$8,400

Tax Collection

Statutory functions are performed by the Tax Collector with no clerical assistance, except for the one part-time Community Service worker shared among several departments. The tax collection rate was 90.58% for 1992, 92.77% for 1993 and 94.98% for 1994. The Tax Collector also serves as the Sewer Utility Administrator for a separate salary. A total of \$9,695 was expended on operations and \$27,500 on salaries and benefits

Tax collection responsibilities are only half of the functions of the Tax Collector, therefore, the CFO and a part-time Community Service worker lend support when tax collections are received. One person collects the tax and the other records the payment. Subsequently, the Tax Collector deposits the receipts within 24 hours. If the Tax Collector is unavailable, the CFO has the authority to make the deposits after two days.

The borough is experiencing a steady rise in revenue collections (from 90.58% in 1992 to 94.98% in 1994) as a result of procedural changes. One example is the timely generation of Delinquent Notices, which further reduces penalty and late fee assessments, thus improving upon processing time and reducing taxpayer expense. Another improvement is the changing of Water and Sewer Notices from annual to quarterly billing. This lends itself to a more manageable bill for the taxpayer.

Banking and Investment Policies

The Borough has a combination of 29 active checking and savings accounts, 16 with United Jersey Bank and 13 with Midlantic National Bank. Among the accounts, nine are interest bearing,

which earned \$10,200 in 1994. With the exception of two accounts in United Jersey, service fees were not charged for monthly maintenance. Instead, the fee was charged against the month-end balance in either one or a combination of accounts.

Over the past two years, the CFO has reduced the number of active bank accounts by consolidating or closing those with minimum or no activity. This has further reduced the burden of managing the numerous accounts.

The average daily account balances ranged from below \$1,000 to as high as \$609,000, which resulted in a low amount of interest earnings for 1994. This was due to typically low interest rates and having many accounts with traditionally low average daily balances. Given this scenario, the effect of interest compounding cannot be fully realized.

Recommendation: We strongly urge that all bank accounts be reviewed to determine if any additional accounts can be closed or consolidated. This reduces the overhead involved with managing numerous accounts and allows for a higher yield as a result of compounding interest. Once this is done, a prudent investment decision could be made to go in one of three directions: invest funds in a Certificate of Deposit(s), open an account with the New Jersey Cash Management Fund, or continue to maintain interest bearing checking accounts.

The borough should develop a daily cash flow worksheet for those accounts with a relatively low volume of activity and high average daily balance. It should also include the anticipated receipts and disbursements for the purpose of determining the organization's cash needs and investment opportunities.

The organization is also advised to conduct an annual review of their accounts, as well as the banking services provided. This exercise will prove to be a valuable tool in planning for future investments, as well as negotiating new banking agreements.

Lastly, we suggest that the borough take a close look at paying for their banking services in "hard dollars" as opposed to employing the method of "compensating balances". This may produce higher interest earnings, given the current rise in rates.

Revenue Enhancement: A conservative estimate of 1994 potential earnings is \$38,152, assuming an aggressive investment approach that utilizes the highest yield investment vehicles available during the course of the year. This estimate does not consider compounding as a factor.

OFFICE AUTOMATION

The computer network within the township building does not allow for the Chief Financial Officer to process specific file information, such as payroll and personnel time/leave allowance, since the computer in the finance office is not a separate personal computer. It is the file server. A request has been initiated for a networked work station for these processes, but it has not been approved.

Recommendation: Immediate attention should be given to acquiring a separate personal computer for the Chief Financial Officer and having a systems coordinator examine and evaluate the current system, relative to its effectiveness in the organization.

UNIFORM CONSTRUCTION CODE

This department is staffed by one Construction Official who also serves as the Plumbing Subcode Official and Building Inspector, one Building Subcode Official, one Fire Subcode Official/Inspector, one Fire Inspector, one Electrical Subcode Official/Inspector, and one Control Person. All Sub-Code Officials and Inspectors work part-time, approximately 5 - 10 hours per week, and the Control Person works approximately 20 hours per week. The Control Person is the only employee who receives benefits. There were a total of 148 building, 47 plumbing and 88 electrical inspections in 1994. Departmental operating expenses in 1994 were \$1,650 and salary and benefit expenses were \$46,670. A total of \$36,982 was realized in fees in 1994.

Fire Prevention

This function is handled by a part-time Fire Prevention Officer/Inspector working approximately 5 - 10 hours per week. There were 28 inspections conducted in 1994. Operating expenses in 1994 were \$2,200 and the salary expense was \$12,011. This employee does not receive benefits from the Borough. Based on these statistics, the taxpayers cost for each inspection was \$320. Fines and fees collected in 1994 were \$5,255.

Fee Ordinance

The fee ordinance provided was undated and the origination date could not be determined by borough staff. While most of the fees appeared to be fairly comparable to other municipalities, the Uniform Construction Code Department was running at a deficit of \$11,338 in 1994, when comparing expenses (\$48,320) to revenue generated (\$36,982). The Fire Prevention function ran at a deficit of \$8,956 for the same year.

Recommendation: The borough should give serious consideration to regionalizing or consolidating this service with another municipality. However, should the borough wish to keep this service in-house, the fees charged should be reviewed for possible increase to allow the department to break even in terms of revenue and expenses.

Revenue Enhancement: \$11,338

ROAD DEPARTMENT

The Road Department is now staffed by two laborers. The foreman resigned last year. The department is responsible for road repair and maintenance, building and grounds maintenance and sewer line repair. A total of \$44,750 was spent in 1994 on operations and \$88,750 was spent on salaries and benefits (including the foreman).

Buildings And Grounds

The Road Department is responsible for maintenance of Borough Hall, the Road Department building and the Triangle and Tilly Davison parks. It is also responsible for landscaping, snow removal, and lawn care at those same locations, as well as the library and Senior Citizen Center. Its total non-salary budget is \$2,730, of which \$30 was budgeted for office supplies and \$2,700 was budgeted for repairs and maintenance.

The actual cleaning of Borough Hall is performed by community service workers assigned by the Municipal Court Judge. They are supervised by the community service supervisor who is paid \$10 per hour, for a total of \$3,505 in 1994.

Recommendation: It is recommended that the borough explore competitively contracting all building custodial services, as well as landscaping services, in conjunction with the school district and/or a neighboring municipality. This would determine if the services could be accomplished for even less cost, but more especially, would determine if the services could be improved.

Scheduling

There is currently no work schedule available to track the daily activities of the department, which makes it impossible to judge what the employees do on a daily basis. This schedule may be difficult to maintain in such a small department due to the flexibility required to respond to emergencies and the inevitable disruption of work. A work schedule, however, would provide a level of control and planning that does not currently exist.

Recommendation: It is recommended that at least a weekly schedule of routine work assignments be prepared and followed to the greatest extent possible. "After action" reports should also be completed and compared against the schedule. Notations should be made as to the reason(s) for the inability to complete tasks in a given week in order to provide information on the most appropriate use of resources.

Sewer

Prior to 1993, Jamesburg maintained a sewer rate of \$12.77/1,000 gallons. The sewer rate was increased to \$23.94/1,000 gallons in 1994 to cover a deficit in 1993 operations of \$75,196 and an overexpenditure of \$20,300. This is presumably due to the 46% billing increase in 1993 by the Monroe Township Utilities Authority, however, the review team is not convinced. Instead, the team believes that at least in part, the deficit and overexpenditure was due to poor financial forecasting and inappropriate charges to the sewer utility. For example, road employees are also responsible for clearing clogs from the sewer lines. Employees have estimated that they spend an average of four to six hours per week clearing clogs, or a total of 936 hours per year. In 1994, over 250 of those hours were spent on an overtime basis at a cost of almost \$5,000. Based on workload information from these employees, an approximate total of \$16,000 could appropriately be charged for sewer salary and wages against the sewer budget. However, \$54,590 was charged

in 1994. The borough should be capable of careful and appropriate financial planning in order to avoid major, non-incremental increases in rates that are better spread out over time. This would require regular communication with the MTUA and careful, constant consideration of sewer utility finances.

The 1994 rate increase by the borough appears to have addressed the utility's deficits and restored fiscal stability to the utility, enough so that the Borough Council reduced the 1995 rate to \$17.85. Taxpayers protested last year's increase in sewer rates and there appears to be some merit to their concerns based on the team's findings of a level of financial management that needs improvement. Should the sewer utility remain under borough control, greater emphasis should be placed on accurate financial forecasting and the appropriateness of charges for staff time against the sewer utility.

Operating expenses in 1994 totaled \$457,863. Of this total, \$443,573 was paid to the Monroe Municipal Utilities Authority, \$11,560 was for engineering, \$1,009 was paid for postage, \$560 was paid for printing, and \$1,161 was paid for software support. \$10,000 was paid for insurance coverage. Salary and wage costs were \$90,351 and a payment of \$129,000 was made for debt service. \$395,423 was realized in revenue.

The age of approximately half of the sewer service infrastructure is sixty to eighty years old. Consequently, it is in desperate need of major repair and replacement. Of the total \$82,864 in flow charges spent in 1993 to pump sewage and ground and surface water to the Monroe Municipal Utilities Authority, an estimated \$28,000 was due solely to the effect of infiltration on the lines. Based on the engineer's estimate, the cost for the planned reconstruction of one third of the sewer line system could be as high as \$175,000. It is difficult to determine a defined estimate for total reconstruction, since two thirds of the system have not been inspected with cameras. However, the estimate for total reconstruction may be as high as \$585,000.

Recommendation: It is suggested that the borough maintain regular contact with the MTUA and discuss any potential rate increases and issues in order to avoid being unprepared to meet its financial demands. Incremental rate increases should be forecast and instituted by the borough when warranted by upcoming MTUA increases.

Complete labor records should be maintained for the time spent by all staff on sewer related work in order to more accurately document appropriate charges to the sewer budget. It appears, however, that user costs were overestimated in 1994 by over \$38,000, resulting in inappropriate charges to the users, and therefore, higher sewer rates than were necessary.

The entire sewer line infrastructure should be repaired or reconstructed as soon as possible. It is suggested that the borough contact the New Jersey Wastewater Treatment Trust in Trenton to obtain information on the agency's low interest loans and grants that are available for this type of project.

Recycling/Garbage Collection

For purposes of this breakdown, garbage collection and recycling have been combined. Operating expenses in 1994 totaled \$219,699 and the salary expense was \$5,250 for a recycling coordinator. It should be noted that garbage collection is provided under contract with a private vendor, and the \$5,250 salary for a recycling coordinator has been eliminated since a council member took over the responsibilities.

Jamesburg has recently contracted with the Middlesex County Improvement Authority for recycling. The previous estimate of recyclables in the total waste stream was 15%. This is expected to rise to 45% over the first one to one and one-half years of this contract. The contract will cost approximately \$18,543 over previous practices, however, this increase will be more than offset by the decrease from 85% to 55% in current garbage (non-recyclables) tonnage and associated tipping fees. This change is expected to result in a savings of close to \$20,000.

The current garbage collection contract with Waste Management of Central Jersey, Inc. calls for the tipping fees to be paid to the landfill by the contractor. There is no provision in the contract that requires the contractor to haul only Jamesburg waste, without mixing it with that of other municipalities. This creates the opportunity for the borough to be charged for waste generated in other communities.

Recommendation: The borough is to be commended for seeking a more efficient and cost effective means of handling its solid waste operations and attempting to improve its recycling efforts. It is recommended, though, that the borough revise its next garbage collection contract to provide for direct payment of tipping fees to the landfill by the borough and separate collection of Jamesburg trash to avoid mixing it with collections from other municipalities and, therefore, incurring possible overcharges.

It is further recommended that the borough consider adding a clause to the contract that will allow the borough to negotiate a reduction in collection cost (i.e.10%) based on a reduction in tonnage during the life of the contract.

POLICE DEPARTMENT

Jamesburg has a considerably high crime rate for a relatively small residential community. Most crime is in the form of theft, domestic violence and drug use. Jamesburg ranks third in Middlesex County for violent crime. Operating expenses in 1994 were \$92,390, while salary and benefit expenses were \$650,973.

Staffing

The department appears to be making good use of the employee resources it has available. The department consists of the Chief, two Sergeants, one Detective, six Patrol Officers and one part-time clerical person. The department also utilizes three Class II Special Officers and four Class I Special Officers. Class II Special Officers have power of arrest, but only when on duty. They are used approximately fifteen hours total per week, mainly on weekend nights. Class I Special Officers are non-paid and are used to assist with miscellaneous tasks, such as general cleaning, taking cars for repair and washing cars. These are not tasks typically assigned to Class I Special Officers in other municipalities, who are normally used for assignments, such as event and parking security that do not require the power of arrest.

The Detective fills in on patrol when needed, but is mainly responsible for investigations. Sergeants alternate between the day and evening shifts and have weekend supervisory responsibility on a rotating basis with the Chief. The Chief assigns departmental functions other than patrol, such as DARE, juvenile and narcotics functions, among the officers. The department is also responsible for the administration and supervision of crossing guards.

Officers have historically been hired from the ranks of the Special Officers on the basis of seniority. While this has saved the borough time and money on training costs, it does not give the borough the widest field of candidates.

Recommendation: It is recommended that the hiring of Special Officers be done through an open, competitive process that encourages all able, qualified candidates to apply. In addition, hiring selection for regular Police Officer positions should not be limited to the pool of Special Officers. The borough may wish to consider hiring from the pool of trained officers available through the Alternate Route Basic Course for Police Officers, which is made up of individuals who have paid for their own training and are now available for hire.

Regionalized Police Services

Jamesburg contracts with Spotswood for provision of dispatcher services. The cost of this service was \$18,985 in 1994 and will be \$19,934 in 1995 and \$20,930 in 1996. Concerns have been expressed about the quality of service to the Jamesburg Police Department, but they do not appear to involve life threatening or other emergency situations.

Jamesburg leases three mobile data terminal system units from South Brunswick Township for a total of \$7,500 per year, which includes basic equipment maintenance.

Recommendation: The borough is to be commended for seeking an alternative solution to providing dispatcher services, avoiding staff and operating costs that would be necessary to perform this function. It is suggested, however, that a mechanism be instituted to resolve concerns of either municipality regarding the contract in order to ensure a smooth, efficient operation.

Jamesburg is to be commended for seeking out mobile data terminal services at the best available price and is encouraged to continue this lease.

Evidence

Narcotics and other small items of evidence are stored in a safe or on shelves in an unsecured general storage closet in the Police Department. Large items of evidence are stored in the basement of the municipal building. The Detective is the Evidence Officer, but the Chief and Sergeants also have access to the evidence storage areas. The lack of totally separate evidence storage facilities and the minimally restricted access to the evidence may lead to concerns over its integrity. According to the Chief, all evidence is tagged and referenced back to the case number. There are four automobile impound areas, which are required to have locked storage areas. These impound areas include the Road Department garage and three towing companies

Recommendation: All evidence should be secure and only accessible to the Evidence Officer. While it is acknowledged that there is little storage space of any kind in Borough Hall, greater emphasis should be placed on securing all evidence in one place, which is separate from any other storage of materials or supplies. This would guarantee the integrity of the evidence and would avert the possibility of non-authorized staff handling evidence.

Departmental Rules and Regulations

According to the Chief, the departmental rules and regulations were instituted in 1977 and are updated as necessary. Officers are required to sign off, as having received and read them, on directives from the Chief.

Recommendation: It is crucial that Police Department rules and regulations be kept updated to reflect state and County Prosecutor policy changes. It is recommended that a regular scheduled process of review be instituted, and that the process include the input of officers and the Municipal Prosecutor.

MUNICIPAL PROPERTY

Current Holdings

The Borough of Jamesburg currently has a list of 19 properties under municipal ownership which has not been reviewed in many years. The value of retaining certain properties on the list could not be determined in our discussions with staff.

Recommendation: The list of municipally-owned properties should be periodically reviewed by the staff and the governing body. Municipally-owned vacant land that will not be required for municipal purposes should be sold and returned to the tax rolls. We estimate that approximately 14 parcels of vacant land, assessed at \$119,700, could be put up for public sale.

Land Sale Proceeds: At least \$119,700

STATUTORY AND REGULATORY REFORM

MUNICIPAL CONSOLIDATION/REGIONALIZATION

Particularly in municipalities such as Jamesburg with its relatively small population, small physical size and limited, but fully developed ratables, alternatives for service provision other than by municipal staff are crucial. Jamesburg and similar communities may no longer be able to rely on its predominantly residential tax base to fully support essential municipal services. The cost of providing such services adequately and efficiently becomes prohibitive.

Recommendation: This review team feels very strongly that state legislation encouraging and facilitating consolidation and/or regionalization efforts for small communities should be considered. While pending legislation is designed to facilitate the process of consolidation, it should go even further by also removing the financial disincentives of such a change. In those instances where receiving municipalities have a lower effective tax rate than the absorbed community, the legislation should consider authorizing the creation of a separate taxing district within the new municipality, consisting of the absorbed municipality. The new taxing district (the absorbed community) should be given an annual tax decrease (for example, a 5% reduction of the tax rate of the prior year) until the tax rates of both communities become equivalent. While this may take some time in receiving municipalities that experience growth in ratables, ultimately, similar tax rates could be established. Once similar rates are established, the separate taxing district could be abolished. This mechanism would compensate the receiving municipality for any economic imbalance that may initially be caused by consolidation, while at the same time benefiting the absorbed community through a decreased tax rate. The additional taxes received by the absorbing community would more than offset the addition to services needed to support a larger number of residents, and the absorbed community will enjoy greater services and a decrease in the tax rate. Therefore, the separate taxing district mechanism would alleviate fiscal disincentives to consolidation, while creating a fiscal incentive for both communities.

It is also suggested that consideration be given to reinstating the funding for the Interlocal Services Aid Act, which was previously established to make funds available to communities to conduct feasibility studies on consolidation.

EMERGENCY AND TEMPORARY RENTAL ASSISTANCE PAYMENTS

While the Jamesburg Welfare Department is successful in recouping maintenance payments while retroactive Social Security payments are pending, municipal welfare agencies currently cannot recoup payments made for emergency assistance and temporary rental assistance during that waiting period.

Recommendation: The review team supports the Municipal Welfare Association's policy recommendation that the State of New Jersey revise its agreement with the Social Security Administration to allow municipal welfare agencies to recoup all duplicated interim payments.